APQP Bumming You Out?

Executive Briefing

John M. Cachat
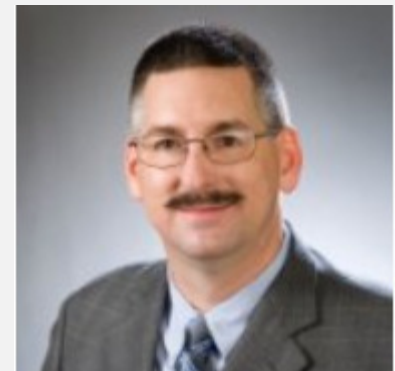
johncachat@hotmail.com

Thought for the Day

"If companies used APQP as a strategic business process, they could decrease cost of poor quality and warranty costs and thereby increase profits, often a factor of 2x to 4x."

Scott A. Gray

Sr. Program Manager, Quality Deployment
at Automotive Industry Action Group

Ford Reviews Vehicle Launch Procedures

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Ford Reviews Vehicle Launch Procedures

Global Insight

May 7, 2013

Ford is overhauling its vehicle launch procedures to catch problems earlier, reports *Automotive News* quoting Joe Hinrichs, Ford president of the Americas.

"We've done a complete analysis on lessons learned in the last couple of years, including the recent MKZ launch, and are now incorporating a number of changes in our development and new-model launch process... trying to be a lot more proactive earlier in the development process to identify the issues and get in front of them," said Hinrichs.

Ford has implemented the following process improvements, among others: monthly launch reviews, including more extensive quality comparisons with competitors' vehicles; greater use of technology, including three-dimensional computer simulations, to spot potential quality problems earlier; hiring and assigning engineers at supplier plants to ensure suppliers have the capacity to keep up with the increased pace of vehicle launches and mid-cycle model changes. Ford's launch reviews now involve "global skill team leaders" from multiple disciplines such as manufacturing, product development, quality and purchasing, said Hinrichs.

http://asq.org/qualitynews/qnt/execute/displaySetup?newsID=15940&WT.dcsvid=OTM3ODY1MTQ3NAS2&WT.mc_id=EM1110259

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Who Cares?

Poorly managed projects and project management offices (PMOs) failure can have dramatic consequences for management teams and the business they serve ranging from:

- ✓ Negative market perception
- ✓ Cost overruns
- ✓ Business interruption & failure
- ✓ Management gets fired
- ✓ Failure to deliver expected benefits
- ✓ Diminished customer & supplier relationships
- ✓ Good employees leave

Today's Discussion

- APQP – The Problem

- APQP Managed Services – The Solution

- Next Steps

- Q & A
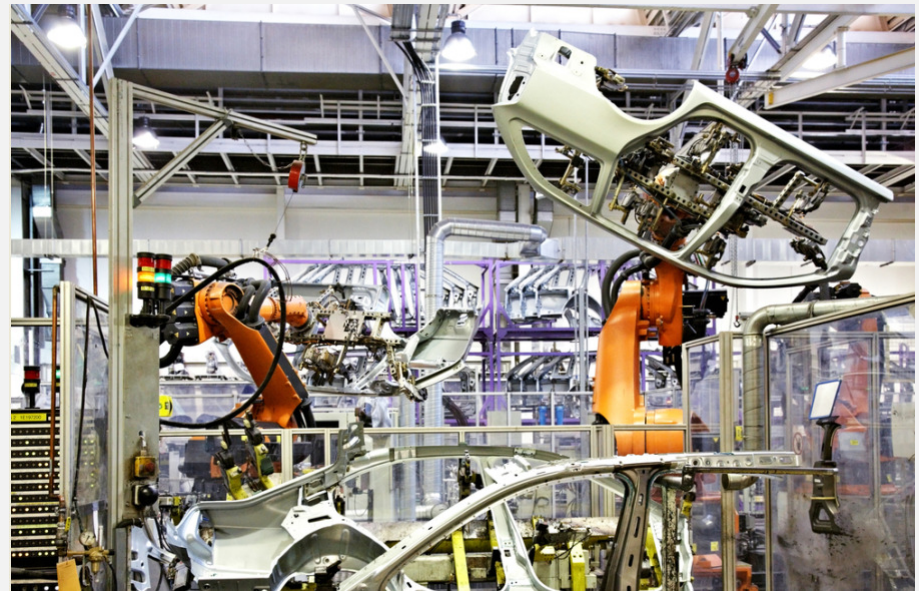
APQP – The Business Problem

- Products are late

- Quality is unacceptable

- Resources are wasted

- Problems are repeated

APQP – The Organizational Problem

- APQP is a Quality or Engineering thing, and not a strategic business process

- Product Launch Managers are reduced to clerks updating start and end dates that are never met and that nobody cares about

- Project Management is done with the wrong tools and/or people
  - Resources are over-scheduled
  - Issues are not resolved
  - True costs are unknown / inaccurate

Project Management Defined

- Projects are temporary undertakings with a specific objective that are accomplished by the organized application of appropriate resources.

- Project management encompasses techniques to:
  – Propose
  – Plan
  – Implement
  – Manage
  – Evaluate projects
  – Combined with leadership to manage people

APQP Project Management Defined

Advanced Product Quality Planning (APQP) is a **structured process**, establishing and defining the steps and requirements necessary to ensure that a **new and/or changed product and process satisfy the expectations of the customer and the needs of your company**.
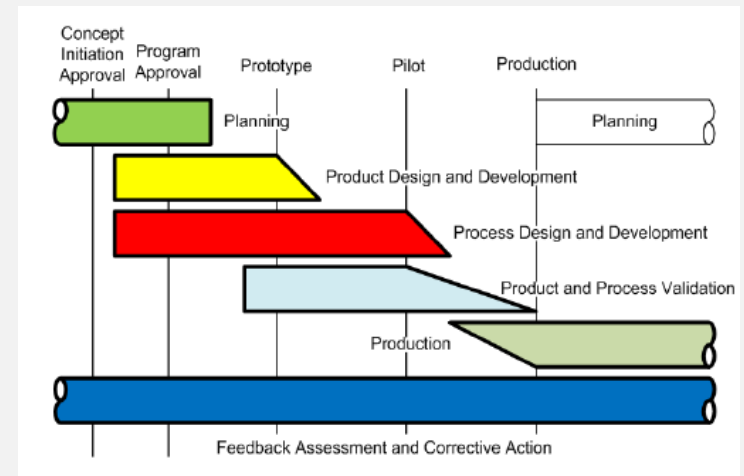
APQP - The Challenge

The project challenge in every organization is to structure and manage the components of **people, material resources, information, time, and money** to deliver a result that meets the requirements of the customer

APQP Best Practices

- A shared cross-functional business process
- Organizational clarity of responsibilities, authority, and accountabilities for the project and the process
- Integrated master plan <u>and</u> integrated master schedule
- Robust risk, issues, and opportunities management
- Comprehensive change management

Successful launch of new products is key to creating a premier customer quality experience.

APQP Best Practices

- A thorough and constructive phase review process
- Clear/consistent communication of project status with all stakeholders
- Concurrent engineering designed into the process
- Inclusive supply chain management
- Supports learning organization culture

Successful launch of new products is key to creating a premier customer quality experience.

Successful APQP Project Teams

- Organize them to achieve timely and effective communication, coordination, and decision making.

- Communication
  – Both vertically and horizontally
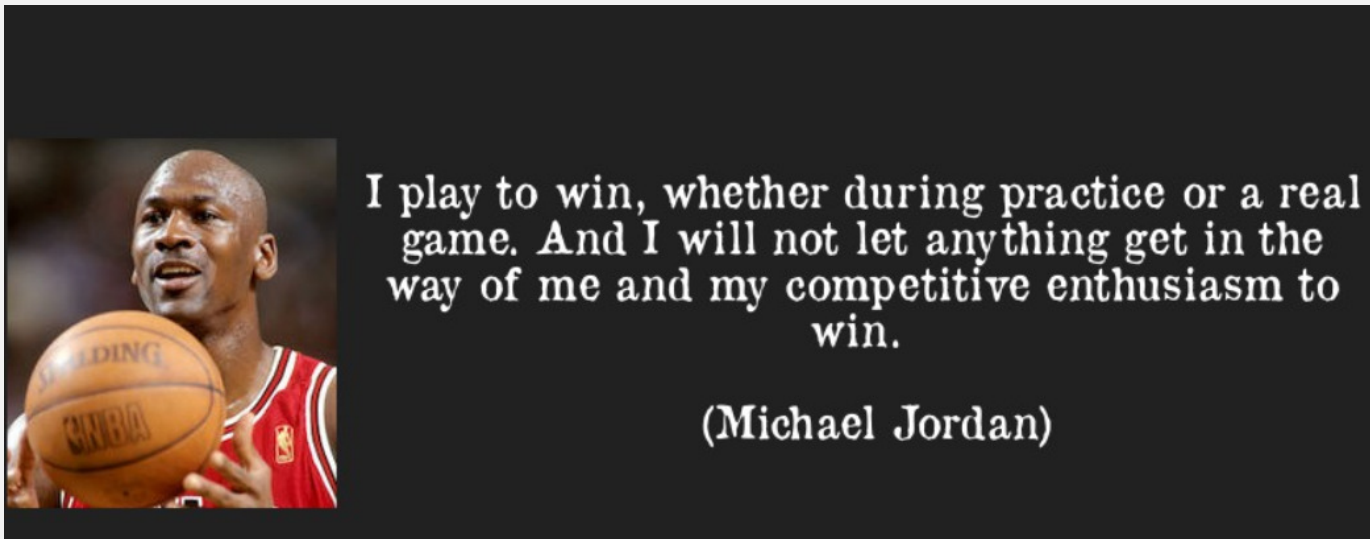 – Both push and pull

Successful APQP Project Teams

- Coordination
  - Thousands of activities, many are interdependent
  - Complexity of program and supply chain increases need
- Decision Making
  - Empower the team leader and core team to make the right decisions on a timely basis
  - Robust phase reviews enable management to remove barriers, support direction, and keep projects aligned to business priorities

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Get in the game – this is not practice!

Many of the problems encountered during a product launch are from people, the roles they are required to play, political issues, and comfort zones.

- Lack a sense of urgency
- Pretend tomorrow will never come
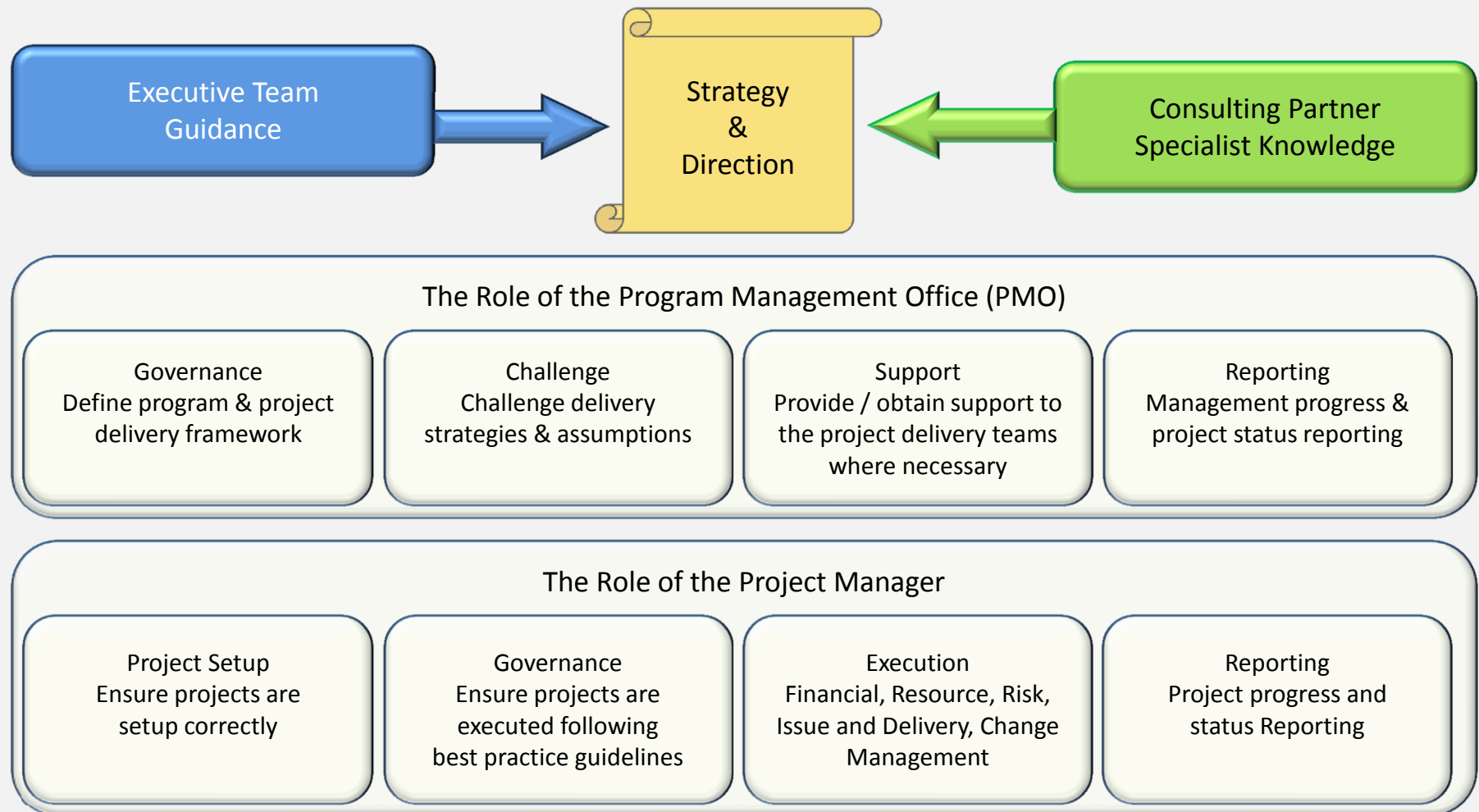- Assume others will bail them out
- Ignore warning signs

I play to win, whether during practice or a real game. And I will not let anything get in the way of me and my competitive enthusiasm to win.

(Michael Jordan)

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APQP Software – What if….

- Support a comprehensive APQP business process
- Enable robust project evaluation and project planning prior to kick-off
- Provide multi-level work breakdown structure to ensure visibility of time and resource constraints
- Builds risk management into each phase of the project
- Ensures resources with right skills are available at the right time
- Brings lessons learned into future project planning
- Quality assurance is extended to all design activities
- Managed Services – off load of the administrative tasks

What We Want - Roles & Responsibilities

| Executive Team Guidance | → | Strategy & Direction | ← | Consulting Partner Specialist Knowledge |

The Role of the Program Management Office (PMO)

Governance	Challenge	Support	Reporting
Define program & project delivery framework	Challenge delivery strategies & assumptions	Provide / obtain support to the project delivery teams where necessary	Management progress & project status reporting

The Role of the Project Manager

Project Setup	Governance	Execution	Reporting
Ensure projects are setup correctly	Ensure projects are executed following best practice guidelines	Financial, Resource, Risk, Issue and Delivery, Change Management	Project progress and status Reporting

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What Makes a Good Project Manager?

- Experience / Knowledge

- Makes good judgment calls

- Ability to motivate others

- Negotiation – internal and external

- Calm under pressure

- Make things happen and get things done

- Execute the project within the agreed timeframe using the resources and budget provided

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The One Reason for Failure

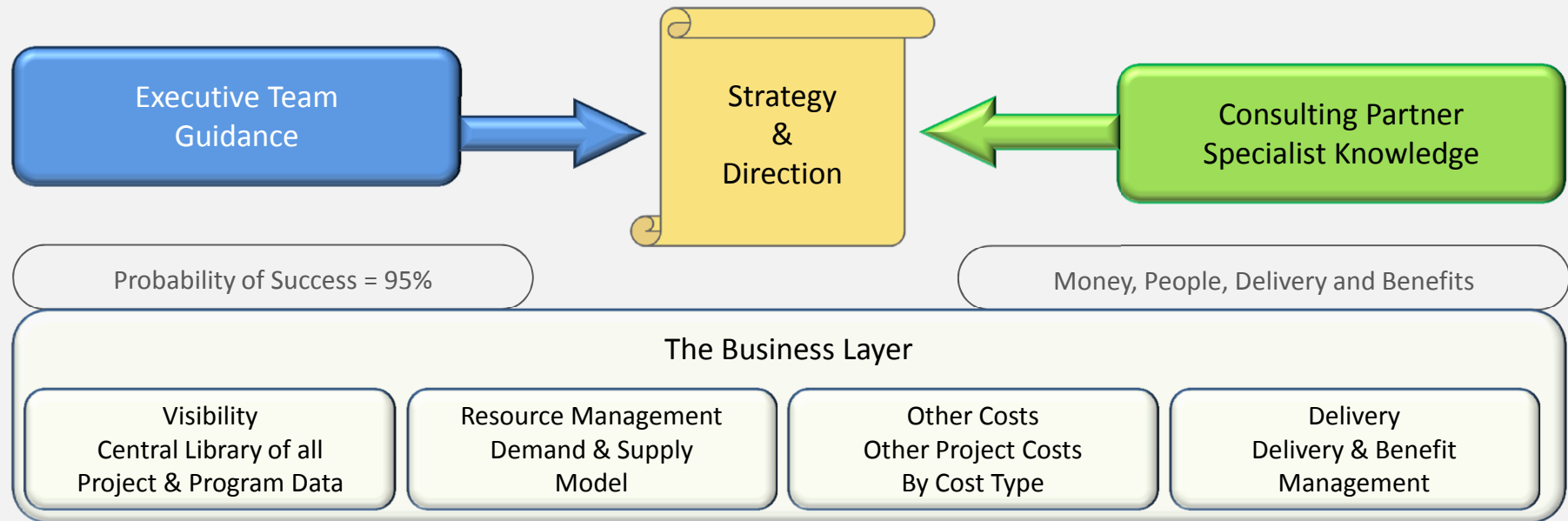**Disconnect between the people that buy the software (executives) and the people that use the software (project mangers)**

Basic Questions:

- How many people do I have?
- What are they working on?
- How busy are they?
- What are the project issues?

What is the Result of this Disconnect?

Executive Team
Search X / Rescue X

Strategy
&
Direction

Consulting Partner
Clerical X / Repair Work X

Program Management Office

Program Group Governance Reporting

Project Managers – Management Challenges

Planning
Document Project Plan Schedule Requirement

Risk, Issues, Change
Mitigation Resolution Management

Progress Tracking
Meet, Expenses Delivery & Budget Management

Reporting
Status Meeting Stakeholder Management

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The Solution

Executive Team Guidance	→	Strategy & Direction	←	Consulting Partner Specialist Knowledge

Probability of Success = 95%		Money, People, Delivery and Benefits

The Business Layer

Visibility Central Library of all Project & Program Data	Resource Management Demand & Supply Model	Other Costs Other Project Costs By Cost Type	Delivery Delivery & Benefit Management

Lessons Learned… based on decades of experience…

1. Focus on the <u>BUSINESS OBJECTIVES</u> that drive the PROJECT & PROGRAM DELIVERY process.

2. Avoid taking on unnecessary and impossible challenges. Recognize that project managers are different and that they have different styles. This is a people issue and not a tool issue!

APQP Dashboard / Analytics Model

	Executive Level	Business Level	Program / Project Level
Dashboard Approach	GYR Indicators for Key Project Metrics and APQP Process Metrics	GYR Indicators for project metrics and for Business Portfolio impact on APQP Process Metrics	GYR Indicators for all project metrics
APQP Process Performance	Cycle Time and First Pass Yield for all projects combined	CT & FPY for Business Portfolio, Achievement of committed CT and FPY improvements	Process Compliance Flags
Project Performance	On Time Projects Financial Results, Customer Satisfaction	Product Line Profitability, Project Financial Metrics	On-Time Performance to Spec Project Costs
Program Issue Escalation Triggers	To Phase Gate Council Members	To Functional Managers and Business Staff	To Project Manager and Team
Drill-Down Capabilities	To Business and Project Name Level	To Phase /Task Level within projects	All project related tasks, activities, and deliverables.

APQP Dashboard

KeyedInProjects®

| My Work | Project | Scheduling | Capability | Scenario | Executive ▾ | Contacts ▾ | Time ▾ | Expense |

APQP Project Dashboard

Name [Contains ▼] [   ] ↻

Code ▲	Name	Start Date	End Date	Manager Name	Life Cycle Status	Current Phase	Time	Customer	Product	Manufacturing	Supplier	Financials
PRJ017	Chi Project	11/22/2010		John Adams	🟡	Phase 5	🟢	🟡	🟡	🟡	🟢	🟢
PRJ018	Beta Project	11/22/2010		Bryan Johnson	🟢	Phase 5	🟢	🟢	🟢	🟢	🟢	🟡
PRJ019	Alpha Project	9/12/2011		Bryan Johnson	🟡	Phase 3	🟢	🟢	🟢	🟢	🟢	🟡
PRJ020	Milton Project	11/18/2011		Ryan Adams	🟢	Phase 3	🟡	🟢	🟢	🟢	🔴	🔴
PRJ022	Lambda Project	12/28/2009	9/2/2011	Ryan Adams	⚪	Phase 7	🟢	🟢	🟢	🟢	🟢	🟢

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APQP Project List

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APQP Solution – Task List

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Key Takeaways

BUSINESS LAYER FIRST

WHAT MAKES A GOOD PROJECT MANAGER?

STANDALONE XLS CAUSE PROBLEMS

Thank You!

"Never dismiss the good in search of perfection"

Colin Gibbons (Aviva) 2002

"Sometimes the most difficult thing to achieve is simplicity"

Kevin Lane (Pfizer) 2009

"Do simple things well"

Eugene Blaine

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APQP Bumming You Out?

Q&A

About Us

Proven expertise in business information systems

Rapid Solution Development™ process

Contact

John Cachat
jmc@peproso.com

Services

Assess Current Status

Develop Short and Long Term Plans

Develop Specific Solutions to Your Problems

Assist in ROI Analysis

PeProSo

About John M. Cachat

http://www.linkedin.com/in/johncachat

- **Driving Business Performance**
  - Helping companies align their business and technology
  - Focus on people, process, and then the technology
  - Subject matter expert on business process management
  - On-going research into next generation of technology for enterprise systems

- **28 years experience in enterprise systems**
  - USAF Research Project (1985)
  - Founder of enterprise quality software company (1988)
  - Chair of ASQ technical committee on computerizing quality (1992)

- **Trusted advisor to global organizations, government agencies, and professional groups**